



**REQUEST FOR PROPOSALS (“RFP”) for  
Immediate Life Annuity**

**RFP NUMBER 13-02**

**RELEASE DATE: March 11, 2013**

**DEADLINE FOR INQUIRIES: March 18, 2013, BY 3:00 PM EST**

**DEADLINE FOR SUBMISSION: March 29, 2013, BY 3:00 PM EST**

# Table of Contents

<b>Section 1 – Introduction .....</b>	<b>3</b>
1.1 Title .....	3
1.2 Overview of Request for Immediate Life Annuity.....	3
1.3 INPRS Background.....	3
1.4 Issuer .....	4
1.5 Contacts.....	4
1.6 Inquiries About the RFP for INPRS.....	5
1.7 Invitation to Submit Proposals .....	5
1.8 Modification or Withdrawal of Offers .....	5
1.9 Confidential Information.....	6
1.10 RFP Response Costs .....	6
1.11 Proposal Life .....	6
1.12 Taxes .....	6
1.13 Secretary of State Registration .....	6
1.14 Discussion Format.....	7
1.15 Compliance Certification .....	7
1.16 Summary of Milestones .....	7
<b>Section 2 – Proposal Content Requirements .....</b>	<b>8</b>
2.1 General Instructions .....	8
2.2 Transmittal Letter.....	8
2.3 Business Proposal .....	9
2.4 Fee Proposal.....	10
<b>Section 3 – Scope of Services.....</b>	<b>11</b>
<b>Section 4 – Contract Award .....</b>	<b>11</b>
4.1 Length of Contract .....	12
4.2 Minority Business Development.....	12
4.3 Evaluation Criteria .....	12
<b>Appendix A – Essential Terms .....</b>	<b>13</b>
<b>Appendix B – Mandatory Respondent Forms .....</b>	<b>17</b>
B.1 Indiana Economic Impact Statement.....	17
B.2 Taxpayer Identification Number Request .....	19
<b>Appendix C - Questionnaire .....</b>	<b>22</b>

## **SECTION 1 – INTRODUCTION**

### **1.1 Title**

The purpose of the Request for Proposals (“RFP”) is to solicit bid proposals to provide immediate life annuity to members of the retirement plans administered by the Indiana Public Retirement System (“INPRS” or the “System”), with the intent to award multiple contracts to selected bidders.

The issuance of this RFP does not commit INPRS to award a contract.

### **1.2 Overview of the Request for Immediate Life Annuity Providers**

INPRS is soliciting proposals from all qualified firms who wish to be considered as a provider of the following:

Immediate life annuity for members of the retirement plans administered by the Indiana Public Retirement System as described in Section 3 - Scope of Services.

### **1.3 INPRS Background**

#### **1.3.1 History**

INPRS is an independent body corporate and politic established under Indiana law. The System is not a department or agency of the state but is an independent instrumentality exercising essential government functions. INPRS was established by legislation to manage the retirement funds of certain public employees throughout the State of Indiana. The State of Indiana officially approved the merger of the Public Employees’ Retirement Fund (“PERF”) board and the Indiana State Teachers’ Retirement Fund (“TRF”) board into one legal entity, INPRS, in 2011.

INPRS administers seven Defined Benefit (“DB”) plans. PERF, effective July 1, 1945, was initially created to provide pension benefits for Indiana’s public employees. Since then, the following five additional retirement funds have been created:

- 1977 and 1985 Judges’ Retirement System (“JRS”);
- 1977 Police Officers’ and Firefighters’ Pension and Disability Fund (“1977 Fund”);
- State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers’ Retirement Plan (“C&E Plan”);
- Legislators’ Retirement System (“LRS”);
- Prosecuting Attorneys’ Retirement Fund (“PARF”)

INPRS also administers TRF, created in 1921 by the Indiana General Assembly. TRF provides retirement benefits for public school teachers and other teaching professionals who work for state-funded institutions, such as colleges and universities.

These seven funds (PERF, TRF, JRS, 1977 Fund, C&E Plan, LRS, and PARF) are managed separately and administered by INPRS. For additional information regarding INPRS and the retirement funds detailed above, please access: <http://www.in.gov/inprs/>.

### **1.3.2 Role**

INPRS is responsible for receiving contributions from participating employers and members, investing those funds in a prudent manner, and paying benefits to qualifying members of the seven retirement funds. Services offered are fairly uniform across each of the seven funds, with certain exceptions based on the provisions that govern the specific plan.

Retirement benefits are based on creditable service and consist of a defined benefit pension plus an Annuity Savings Account (“ASA”) for PERF and TRF only. The defined benefit pension is a lifetime monthly retirement benefit funded by employers. The ASA is an individual account funded by a mandatory contribution from either the member or employer. Members may also choose to make voluntary pre- and/or post-tax contributions to the ASA.

### **1.3.3 Member Base**

PERF’s member base (which includes PERF, JRS, 1977 Fund, C&E Plan, LRS, and PARF) consists of approximately 340,000 members, including about 70,000 benefit recipients. PERF and the 1977 Fund are both multiple-employer retirement plans with a total of approximately 1,200 participating employers statewide. All other plans administered by PERF are plans sponsored by a single employer: the State of Indiana.

TRF provides benefits to more than 160,000 members, including 46,000 benefit recipients from about 370 participating employers. Defined benefit funding for members hired before July 1, 1995, is on a “pay as you go” basis, and allocations for benefits are appropriated annually by the legislature. For members hired on or after July 1, 1995, individual employers fund the benefits with actuarially determined contributions.

## **1.4 Issuer**

INPRS is issuing this RFP in accordance with Indiana statutes governing the procurement of services and certain administrative policies of INPRS. The staff of INPRS has prepared the content of this RFP. One (1) copy of this RFP may be provided free of charge from INPRS or an electronic copy may be obtained from the following website: <http://www.in.gov/inprs/quoting.htm>. Additional copies are available at the rate of \$0.10 per page.

## **1.5 Contacts**

Inquiries from Respondents are not to be directed to any staff or member of the Board of Trustees of INPRS, except as outlined in *Section 1.6* of this RFP. Such unauthorized communication(s) may disqualify Respondent from further consideration. INPRS reserves the right to discuss any part of any

response for the purpose of clarification. Respondents will be given equal access to any communications about the RFP between INPRS and other Respondents.

## **1.6 Inquiries about the RFP for INPRS**

All inquiries and requests for additional information regarding this RFP must be submitted by email to the contact below no later than due dates outlined in *Section 1.16* of this RFP.

Stanton Lanman, Procurement Officer  
procurements@inprs.in.gov

INPRS reserves the right to judge whether any questions should be answered in writing and copies will be posted to the INPRS website.

If it becomes necessary to revise any part of this RFP or provide additional interpretation of a provision, an addendum will be posted to the INPRS website prior to the due date for proposals. If such addendum issuance is necessary, the Procurement Officer may extend the due date and time of the proposals to accommodate such additional information requirements, if necessary.

## **1.7 Invitation to Submit Proposals**

All proposals must be **emailed no later than March 29, 2013, at 3:00 PM EST to procurements@inprs.in.gov**. Each Respondent must also submit one original and one electronic copy of the Respondent's proposal on CD-ROM, including the transmittal letter and other related documentation as required in *Section 2.1* of this RFP. The proposal must be clearly marked "Response to RFP 13-02 for Immediate Life Annuity" with a postmark no later than March 29, 2013 and addressed/delivered to:

Stanton Lanman  
Procurement Officer  
Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204

Any proposal emailed after the above date and time will not be considered. The electronic submission will be considered the document of record. Any late proposals will be returned to the Respondent unopened within thirty (30) days of filing upon request.

## **1.8 Modification or Withdrawal of Offers**

Responses to this RFP may be modified or withdrawn in writing (by facsimile or mail), if modifications are received prior to the date specified for receipt of proposals. The Respondent's authorized representative may also withdraw the proposal in person, with proper identification and execution of a receipt for the proposal. Modification to or withdrawal of a proposal received after the date specified for receipt of proposals will not be considered.

INPRS may, at its option, allow all Respondents a five-calendar-day period to correct errors or omissions to their proposals. Should this necessity arise, INPRS will contact each Respondent affected. Each Respondent must submit written corrections to the proposal within five calendar days of notification. The intent of this option is to allow proposals with only minor errors or omissions to be corrected as deemed necessary by INPRS. Major errors or omissions, such as the failure to include prices, will not be considered by INPRS as a minor errors or omission and may result in disqualification of the proposal from further evaluation.

## **1.9 Confidential Information**

Respondents are advised that materials contained in proposals are subject to the Indiana's Access to Public Records Act ("APRA"), IC 5-14-3 et seq., and, after the contract award, the entire RFP file, may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to APRA must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked "Confidential" and must indicate in the transmittal letter and on the outside of such envelope that confidential materials are included. The Respondent must also specify the applicable statutory exception. If the Respondent does not specifically identify the statutory exception(s), INPRS will NOT consider the submission confidential. Furthermore, if INPRS does not agree that the information designated is confidential under one of the disclosure exceptions to APRA, it may either reject the proposal or consider the merits of the proposal without honoring the confidentiality requested. INPRS does not accept blanket confidentiality exceptions for the totality of the proposal. INPRS does not consider pricing to be confidential information. INPRS reserves the right to make determinations of confidentiality. Any objection to INPRS' confidentiality determination may be raised with the Indiana Public Access Counselor.

## **1.10 RFP Response Costs**

INPRS accepts no obligation for costs incurred by Respondents in preparation of a proposal or any other costs incurred in anticipation of being awarded a contract.

## **1.11 Proposal Life**

All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the due date specified above. Any proposal accepted by INPRS for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected by INPRS.

## **1.12 Taxes**

INPRS is exempt from federal, state, and local taxes. INPRS will not be responsible for any taxes levied on the Respondent as a result of any contract resulting from this RFP.

## **1.13 Secretary of State Registration**

Before an out-of-state corporate Respondent can do business with INPRS, the Respondent must be registered with the Indiana Secretary of State. If an out-of-state corporate Respondent does not have such registration at present, the Respondent should contact:

Secretary of State of Indiana  
Corporations Division  
302 West Washington Street, E018  
Indianapolis, IN 46204  
(317) 232-6576

for the necessary registration application form, or it can be accessed via the internet at <http://www.in.gov/icpr/2362.htm>. It is each Respondent's responsibility to register prior to the initiation of any contract discussions, but registration is not a requirement to submit a response.

#### **1.14 Discussion Format**

INPRS reserves the right to conduct discussions, either oral or written, with those Respondents determined by INPRS to be reasonably viable to being selected for award. INPRS also reserves the right to seek clarification to resolve issues as deemed necessary by INPRS.

#### **1.15 Compliance Certification**

Responses to this RFP serve as a representation that the Respondent has no current or outstanding criminal, civil, or enforcement actions initiated by the State of Indiana, and Respondent agrees that it will immediately notify INPRS of such actions should they arise. The Respondent also certifies that neither it nor its principals are presently in arrears in payment of its taxes, permit fees, or other statutory, regulatory, or judicially required payments to the State of Indiana. The Respondent agrees that INPRS may confirm, at any time, that no such liabilities exist, and, if such liabilities are discovered, that INPRS may bar the Respondent from contracting with INPRS, cancel existing contracts, withhold payments to set off such obligations, and withhold further payments or purchases until the entity is current in its liability to the State of Indiana and has submitted proof of such payment to INPRS.

#### **1.16 Summary of Milestones**

The following is the expected timeline for this solicitation:

<b>ACTIVITY</b>	<b>EXPECTED DATE</b>
<b>Release of RFP</b>	<b>March 11, 2013</b>
<b>Respondent's Inquiry Period Ends</b>	<b>March 18, 2013, 3:00 P.M. (EST)</b>
<b>Answers to Inquiries Published to Website</b>	<b>March 20, 2012</b>
<b>Respondent Electronic RFP Submissions Due</b>	<b>March 29, 2013, 3:00 P.M. (EST)</b>
<b>Discussion and/or site visits (if necessary)</b>	<b>Week of April 29, 2013</b>
<b>Selection of Manager(s)</b>	<b>Late May 2013</b>

## **SECTION 2 – PROPOSAL CONTENT REQUIREMENTS**

### **2.1 General Instructions**

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is documented in this section. All Respondents are required to format their proposals in a manner consistent with the guidelines described below.

A complete proposal will include the following:

- Electronic submissions as per the guidelines in *Section 1.7* of this RFP.
- Hard copy submission of a transmittal letter (with the information in *Section 2.2* of this RFP).
- Hard copy submission of a business proposal (with the information and attachments described in *Section 2.3* of this RFP).
- Hard copy submission of a fee proposal (with the information in *Section 2.4* of this RFP).
- Original hard copy and a CD ROM of the entire proposal.

### **2.2 Transmittal Letter**

The transmittal letter must be in the form of a letter and address the following topics:

#### **2.2.1 Identification of RFP**

The transmittal letter must first identify the RFP title and number.

#### **2.2.2 Identification of Manager**

The transmittal letter must identify the following information:

- Respondent Name
- Street Address
- City
- State
- ZIP
- Contact Name
- Phone
- Email

#### **2.2.3 Summary of Ability and Desire to Supply the Required Services**

The transmittal letter must briefly summarize the Respondent's ability to supply the requested services. The letter must also contain a statement indicating the Respondent's willingness to provide the requested services subject to the terms and conditions set forth in the RFP, including INPRS's standard contract clauses.

#### **2.2.4 Signature of Authorized Representative**

An authorized representative of the Respondent must sign the transmittal letter. Respondent personnel signing the transmittal letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section must contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

#### **2.2.5 Other Information**

Any other information the Respondent may wish to briefly summarize will be acceptable.

### **2.3 Business Proposal**

The business proposal must contain the required information and be organized under the specific section titles as listed below.

#### **2.3.1 Executive Summary**

Provide a high level description of the proposed scope of services.

#### **2.3.2 Relevant Experience**

[See Appendix C Questionnaire.]

#### **2.3.3 Organizational Capability**

Describe the Respondent's organizational capability to provide the scope of work described in *Section 3* of this RFP. To demonstrate organizational capability, provide the following:

##### **i. Personnel**

See Appendix C Questionnaire.

##### **ii. Registration to do Business**

Respondents proposing to provide services required by this RFP are required to be registered to do business within the state with the Indiana Secretary of State. The contact information for this office may be found in *Section 1.13* of this RFP. This process must be concluded prior to contract negotiations with INPRS. It is the Respondent's responsibility to successfully complete the required registration with the Secretary of State. The Respondent must indicate the status of registration, if applicable, in this section of the proposal.

##### **iii. Financial Statements and Quality Assurance Report**

This section must include the Respondent's financial statements, including an income statement and balance sheet for each of the two most recently completed

fiscal years. In addition, please provide a copy of the Respondent's most recent financial statement audit report

**iv. Subcontractors**

The Respondent must list any subcontractors that are proposed to be used in providing the required Services. The subcontractor's responsibilities under the Proposal, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the Proposal.

**2.3.4 Required Questionnaire, Appendix C**

Complete the questionnaire, Appendix C.

**2.3.5 Essential Contracting Terms**

*Appendix A* of this RFP includes the essential contracting clauses that are non-negotiable.

**2.3.6 Assumptions**

List any assumptions made by the Respondent in developing the response to this RFP, including INPRS responsibilities.

**2.4 Fee Proposal**

Please provide a detailed fee proposal. Fee calculations/formulas shall assume U.S. dollars. The Services and asset thresholds detailed in SECTION 3 – SCOPE OF SERVICES of this RFP are the basis for the proposed fees. The proposed fees shall include all costs for providing Services to INPRS as described and shall be guaranteed through the contract term. In no case will the final fee be higher than the fee contained in the Proposal. Payment of fees shall be quarterly in arrears. Please answer the "Investment Vehicles, Fees, & Terms" portion of the Questionnaire.

**FAILURE TO SUBMIT A DETAILED FEE PROPOSAL MAY ELIMINATE A RESPONDENT'S ORGANIZATION FROM CONSIDERATION.**

## **SECTION 3 – SCOPE OF SERVICES**

INPRS administers hybrid plans where both the employers and the members have the responsibility to invest prudently for retirement. Retirement benefits of a member are based on creditable service, and consist of a DB pension administered by INPRS plus an ASA administered by the member. At retirement, INPRS members have the option to convert all or qualified portion of their ASA balance to a lifetime monthly annuity, currently administered by INPRS. INPRS members may also rollover monies from other qualified plans (e.g. 403(b), 457 plans) into their Rollover Savings Account (“RSA”), and convert the RSA to the same lifetime monthly annuity. Historically, approximately 50% of INPRS retirees, or \$200 million per year, convert their ASA balance to lifetime monthly annuity, with an average account balance of \$60,000.

The objective of the RFP is to solicit bid proposals to provide tax-qualified, single premium, immediate life annuities for all eligible retired and/or separated INPRS members. It is expected that one or multiple contracts will be awarded.

The firm and/or manager must:

1. Provide, at a minimum, six types of immediate life annuity with or without cash refund:
  - a. Fixed and variable single life annuities
  - b. Fixed and variable joint with spouse annuities
  - c. Fixed and variable joint annuity with a survivor other than a spouse
2. Have minimum credit ratings of AA-/Aa3.
3. Be well-capitalized and have minimum total firm assets of \$100 billion.
4. Be licensed and insured to provide such service in all 50 states of the United States.
5. Agree to comply with INPRS’ Investment Policy Statement, effective January 1, 2013, and as may be amended from time to time.

Investment services that utilize a separate account structure will also require a Sudan and Terror States compliance screen as defined in IC 5-10.2-9 and IC 5-10.2-10 and performed by a vendor on INPRS’ behalf.

Selection criteria include, but not limited to, highest yield per dollar invested, lowest fee/expense, and prior experience with public pension plan in transitioning accounts, similar to ASA, to annuity.

## **SECTION 4 – CONTRACT AWARD**

Based on the results of this process, the qualifying proposal determined to be the most advantageous to INPRS, taking into account all of the evaluation factors, may be selected by INPRS for further action, such as contract award. If, however, INPRS decides that no proposal is sufficiently advantageous, INPRS may take whatever further action is deemed best in its sole discretion, including making no contract award. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the Respondent, INPRS may begin contract preparation with the next qualified Respondent or determine that it does not wish to award a contract pursuant to this RFP.

INPRS reserves the right to discuss and further clarify proposals with any or all respondents. Additionally, INPRS may reject any or all proposals received or to award, without discussions or

clarifications, a contract on the basis of proposals received. Therefore, each proposal should contain the Respondent's best terms from a price and technical standpoint.

The Executive Director or his designee(s) will, in the exercise of his/her discretion, determine which proposal(s) offer the best means of servicing the interests of INPRS. The exercise of this discretion will be final.

#### **4.1 Length of Contract**

The term of the contract entered into under this RFP shall be for an initial period of five (5) years, beginning from the date of final execution of contract. There may be one (1) or more renewals under the same terms and conditions at INPRS' option up to the length of the original term. Total contract period shall not exceed ten (10) years.

#### **4.2 Minority Business Development**

The contract goal is that at least eight percent (8%) of state contracts be with minority and women business enterprises as defined in IC 4-13-16.5. This goal is established under IC 4-13-16.5-2 (f) (7). It is the intent of INPRS to meet or exceed the 8% minority and women's business enterprise participation goal when possible.

#### **4.3 Evaluation Criteria**

INPRS has selected a group of qualified personnel to act as an evaluation team. The procedure for evaluating the responses against the evaluation criteria will be as follows:

- Each response will be evaluated on the basis of the criteria listed below.
- Based on the results of the evaluation, the Proposal or Proposals determined to be most advantageous to INPRS, taking into account all of the evaluation factors, may be selected by INPRS for further action.
- In addition, the evaluation team will consider other factors they believe to be material for this selection.

Proposals will be evaluated based upon the proven ability of the Respondent to satisfy the requirements in an efficient, cost-effective manner, taking into account quality of service with minimal tolerance for error.

Specific criteria include:

1. Fit of the annuity product offered
2. Performance
  - Highest yield per dollar invested
3. Organizational Characteristics
  - Ownership structure
  - Short-term and long-term business strategy
  - Financial condition of firm, including capitalization and status of insurance
4. Experience with providing service to public plans
5. Fee structure
6. Investment Process
  - Well defined and consistent process for investing the principal
7. Investment Professionals

- 8. Risk Management
  - Integrity, depth, experience, and stability of the responsible investment team
  - Risk controls, resources and oversight

All Proposals will be reviewed by members of INPRS and/or its investment consultant, Strategic Investment Services, Inc. INPRS reserves the right to award a contract to the firm(s) which, in its sole opinion, will be most advantageous to the System. INPRS is not required and will not be obligated to award this contract to the firm with the lowest cost.

References may be contacted. It is possible that finalists will be interviewed by persons participating in the selection process.

Appendix A *Appendix A* of this RFP includes the essential clauses that will be incorporated into an agreement with the winning respondent. It should be noted that the essential terms are non-negotiable.

## **APPENDIX A – ESSENTIAL CLAUSES**

### **Essential Clauses in the System's Contracts**

The following clauses are non-negotiable. If you believe that a clause will affect your risk of liability, you should adjust your bid price accordingly.

#### **(Section 17) Indemnification**

The System will not agree to any modification that limits Contractor's responsibility to indemnify the System as described in this Section. The Indiana Attorney General has opined that any agreement requiring the System to indemnify Contractor is a violation of the Indiana Constitution and against public policy. In addition, the System will not agree to any modification that limits the System's ability to recover damages or limits Contractor's liability as described in the contract.

#### **(Section 18 (H)) Investigations and Complaints**

As part of the System's fiduciary and due diligence obligations, this is an essential clause in the System's contracts. The System will not accept material changes to this provision.

#### **(Section 21) Record Retention and Inspection**

The System will not agree to any provision eliminating this requirement or requiring the System records to be retained for less than applicable law, including Indiana's public records retention schedule.

#### **(Section 22) Confidentiality**

Although the System is subject to Indiana's public records laws, many of the System records are confidential public records that cannot be disclosed. In addition, the Indiana Attorney General requires the Social Security disclosure clause in all State of Indiana contracts.

#### **(Section 25) Nondiscrimination**

The Indiana Attorney General requires this provision in all State of Indiana contracts. The System will not agree to limit Contractor's liability under this provision, nor will the System agree to substitute Contractor's discrimination policy for the requirements under this Section.

#### **(Section 26(B)) Laws and Ethics**

The Indiana Attorney General requires this provision in all State of Indiana contracts. Contractor and its agents must abide by the ethical requirements set forth in Indiana Code, including provisions regarding the telephone solicitation of customers. As the System is subject to the jurisdiction of the State Ethics Commission and State ethics rules, the System will not agree to delete these provisions.

#### **(Section 28) Governing Laws**

The contract must be governed by the laws of the State of Indiana, and suit, if any, must be brought in a state court of jurisdiction in the state of Indiana. As a quasi-governmental agency, the System is protected by the Eleventh Amendment of the United States Constitution, which guarantees that state governments hold sovereign immunity and are immune from federal lawsuits initiated by citizens of another state. The System will not agree to any provision that can be construed as waiving the System's Eleventh Amendment rights.

#### **(Section 29) Disputes**

The System will not agree in advance to any binding resolution clauses, except those of the State of

Indiana courts; however, the System may agree to alternative dispute resolution options, should a dispute arise.

(Section 37) Maintaining a Drug-Free Workplace; Drug-Free Workplace Certification

To ensure compliance with the Governor of Indiana's executive order on drug-free workplaces, these provisions are required in all the System contracts. The System will not accept any modifications of the language under this Section.

(Section 39) Audit

The System is subject to audits by the Indiana State Board of Accounts. Therefore, the System will not accept any substantive modifications to the language under this Section.

(Section 44) Minority and Women's Business Enterprise Compliance

Indiana law requires this provision in all System contracts. In the event Contractor uses a subcontractor to complete services pursuant to this contract, Contractor must visit the Indiana Department of Administration's Web site, which contains a list of subcontractors registered as Minority Business Enterprises and/or Women's Business Enterprises. If a subcontractor who performs services required under the contract is listed on the Web site, Contractor must give that subcontractor the opportunity to bid. If Contractor does not use a subcontractor to complete services pursuant to this contract, Contractor will be unaffected by this provision.

**Additional contract provisions to which the System will not agree:**

- Any provision requiring the System to provide insurance or an indemnity;
- Any provision requiring the contract to be construed in accordance with the laws of any state other than Indiana;
- Any provision requiring suit to be brought in any state other than Indiana;
- Any mandatory dispute resolution other than the courts;
- Any provision requiring the System to pay taxes;
- Any provision requiring the System to pay penalties, liquidated damages, interest, or attorney fees;
- Any provision modifying the statute of limitations;
- Any provision relating to a time in which the System must make a claim;
- Any provision requiring payment in advance, except for rent; and
- Any provision limiting disclosure of information in contravention of the Indiana Access to Public Records Act

**Acknowledgement**

We have reviewed and agree to the System's mandatory contract provisions.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: «Company\_Name»

Date: \_\_\_\_\_



## APPENDIX B – MANDATORY RESPONDENT FORMS

### B.1 Indiana Economic Impact Statement



#### INDIANA ECONOMIC IMPACT - PROPOSALS AND CONTRACTS

State Form 51778 (R5 / 3-06)

DEPARTMENT OF ADMINISTRATION

Approved by State Board of Accounts, 2006

This information is required by the Indiana Department of Administration for all contractors, vendors/suppliers to the State of Indiana (complete all 22 items).

1	Legal Name of firm:	
2	Address/City/State/Zip Code:	
3	Telephone #/Fax #/Website:	
4	Federal Tax Identification Number:	
5	State/Country of domicile/incorporation:	
6	Location of firm's headquarters or principal place of business:	
7	Name of parent company or holding company (if applicable):	
8	State/Country of domicile/incorporation of company listed in #7:	
9	Address of company listed in #7:	
10	IN Department of Workforce Development (DWD) account number:	
11	IN Department of Revenue (DOR) account number:	
12	Number of Indiana resident employees per most recently completed IRS Form W-2 distribution:	
13	Total number of employees per most recently completed IRS Form W-2 distribution:	
14	Total amount of payroll paid to Indiana resident employees per most recently completed IRS Form W-2 distribution:	
15	Total amount of payroll paid to all employees per the most recently completed IRS Form W-2 distribution:	
16	Total amount of this proposal, bid, or current contract:	

**ACCOUNTING OF INDIANA RESIDENT EMPLOYEES**

17	<b>Prime Contractor Company</b> <b>Name:</b>	
18	<b>Number of Full Time</b> <b>Equivalent (FTE) employees</b> that are Indiana residents specifically for this proposal or contract:	

19	<b>Subcontractor Company</b> <b>Name:</b>				
20	Address/Contact Person/Telephone Number/Tax ID Number:				
21	<b>Number of Full Time</b> <b>Equivalent (FTE) employees</b> that are Indiana residents specifically for this proposal or contract:				

22	<b>Affirmation by authorized official:</b> I affirm under penalties of perjury that the foregoing representations are true to be the best of my knowledge and belief:				
	Signature:				
	Name of auththorized official:				
	Title:				
	Date:				

## B.2 Taxpayer Identification Number Request

**Purpose of form:** We are required to file an information return with the IRS and must get your correct taxpayer identification number (TIN) to report our payments to you.

Use Form W-9 on the reverse side, if you are a U.S. person (including a U.S. resident alien), to give us your correct TIN and, when applicable to:

1. Certify the TIN you are giving is correct.
2. Certify you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are an exempt payee.

If you do not provide us with the information, your payments may be subject to 31% federal income tax backup withholding. Also, if you do not provide us with information, you may be subject to a \$50.00 penalty imposed by the Internal Revenue Service per I.R.C. 6723.

Federal law on backup withholding preempts any state and local law remedies, such as any rights to a mechanic's lien. If you do not furnish a valid TIN, or if you are subject to backup withholding, the payer is required to withhold 31% of its payment to you. Backup withholding is not a failure to pay you. It is advance tax payment. You should report all backup withholding as a credit for taxes on your federal income tax return.

**Specific Instructions:** Enter your legal name on that line. Your legal name is the one that appears on your Social Security Card or Employer Identification Number if a business. If you are a sole proprietor, then your legal name is the business owner's name. If you have a "doing business as" (d/b/a) name, enter on the trade line. Enter your remit address on the next line, and if you have a separate address for purchase orders, enter that address on the appropriate line.

Next, select the organization type for your name, check the box, and record the appropriate taxpayer identification number (TIN) in the space provided. Notice that individuals and sole proprietors are the only types with a social security number. If you are a corporation or an exempt 501(a) organization, you must answer yes or no on legal and medical services. If you are sole proprietor you must show the business owner's name in the legal box, and the business name in the trade name box. You cannot use only the business name. For the TIN, you may use either the individual's SSN or the employer identification number (EIN) of the business. However, the IRS prefers that you show the SSN.

Finally, complete the certification section, sign and date the form.

If you are a foreign person, use the appropriate Form W-8.

Substitute Form  
State Form 23743 (R 07/01)

Approved by State Board of Accounts 2001  
Approved by Auditor of State 2001

**Taxpayer Identification Number Request**

State of Indiana

**W-9**

DO NOT send to IRS

Print or Type	Return to address below
<b>Legal Name</b> (OWNER OF THE EIN OR SSN AS NAME APPEARS ON IRS OR SSN RECORDS) DO NOT ENTER THE BUSINESS NAME OF A SOLE PROPRIETORSHIP ON THIS LINE	
<b>Trade Name</b> Complete only if doing business as (D/B/A)	
<b>Remit Address</b>	
<b>Purchase Order Address-Optional</b>	
Check legal entity type and enter 9 digit taxpayer identification Number (TIN) below: (SSN = Social Security Number, EIN = Employer Identification Number)	SSN or EIN must be for legal name above
<input type="checkbox"/> <b>Individual</b> (Individual's SSN)	_____ - _____
<input type="checkbox"/> <b>Sole Proprietorship</b> (Owner's SSN or Business EIN) SSN	_____ - _____
	EIN _____ - _____
<input type="checkbox"/> <b>Partnership</b> <input type="checkbox"/> General <input type="checkbox"/> Limited (Partnership's EIN)	_____ - _____
<input type="checkbox"/> <b>Estate/Trust</b> (Legal Entity's EIN)	_____ - _____
Note: Show the name and number of legal trust, or estate, not personal representatives	
<input type="checkbox"/> <b>Other</b> (Limited Liability Company, Joint Venture, Club, ect) (Legal Entity's EIN)	_____ - _____
<input type="checkbox"/> <b>Corporation</b> Do you provide legal or medical serv. <input type="checkbox"/> Yes <input type="checkbox"/> No (Corp's EIN)	_____ - _____
<input type="checkbox"/> <b>Government</b> (or Government operated entity) (Entity's EIN)	_____ - _____
<input type="checkbox"/> <b>Organization Exempt from Tax under Section 501(a)</b> Do you provide medical services? <input type="checkbox"/> Yes <input type="checkbox"/> No (Org's EIN)	_____ - _____
<input type="checkbox"/> Check here if you do not have a SSN or EIN but have applied for one.	

Under Penalties of perjury, I certify that:

(1) The number listed on this form is my correct Taxpayer Identification Number (Or I am waiting for a number to be issued to me) AND  
(2) I am not subject to backup withholding because: (a) I am exempt from the backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, and acquisition or abandonment of secured property, contribution to an individual retirement arrangement (IRA), and payments other than interest and dividends.)  
CERTIFICATION INSTRUCTIONS- You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

**THE IRS DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISION OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.**

I am a U.S. person (including a U.S. resident alien)

Name (Print or Type)

AUTHORIZED SIGNATURE

Title

Date

Phone

Agency

Agency use only

☐ Yes

☐ No

Approved by

1099

**REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION**

## B.3 Application for Certificate of Authority of a Foreign Corporation



### APPLICATION FOR CERTIFICATE OF AUTHORITY OF A FOREIGN CORPORATION

State Form 38784 (R9/ 12-02) Corporate Form 112  
Approved By State Board Of Accounts, 1995

TODD ROKITA  
SECRETARY OF STATE  
CORPORATIONS DIVISION  
302 W. Washington St., Rm. E018  
Indianapolis, IN 46204  
Telephone: (317) 232-6576

Indiana Code 23-1-49-1 et seq.  
23-1-49-3

**Filing Fee: \$90.00**

#### NOTES:

1. An Original Certificate of Existence duly authenticated by the proper authority from corporation's domiciliary state within the last sixty (60) days must be submitted with this application.
2. A Registered Agent with an Indiana street address (not a PO BOX) must be listed in ARTICLE III.

#### INSTRUCTIONS:

- Use 8 1/2" x 11" white paper for attachments.
- Present original and one copy to address in the upper right corner of this form.
- Please TYPE or PRINT.
- Please visit our office on the web at [www.sos.in.gov](http://www.sos.in.gov).

<b>APPLICATION FOR CERTIFICATE OF AUTHORITY OF  A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF INDIANA</b>
The undersigned officer of the above corporation which was formed as:
<input type="checkbox"/> A general business corporation <input type="checkbox"/> A professional corporation
desiring to effectuate the admittance of the Corporation to transact business in the State of Indiana, certifies the following facts:

<b>ARTICLE I: Name</b>		
Name of Corporation ( Must be identical to name shown in Articles of Incorporation and Amendments thereto)		
<b>ARTICLE II: Address of Corporation</b>		
Address of the principal office of corporation (Number and street, city, state and ZIP code)		
<b>ARTICLE III: Registered Office and Registered Agent</b>		
Name of the Registered Agent of the corporation (can not be the corporation itself)		
Indiana address of the registered office of corporation (Number and street, city; P.O. Box not accepted)	<b>INDIANA</b>	ZIP code
<b>ARTICLE IV: Date and State of Incorporation and Duration of Existence</b>		
Date of incorporation in domiciliary state:	State of incorporation	
Expected period of duration listed in the Articles of Incorporation (perpetual, term of years or date certain e.g. December 31, 2050)		
<b>ARTICLE V: Corporate Officers</b>		
The names and business addresses of the officers of the Corporation:		
<b>Name</b>	<b>Title</b>	<b>Address (Number, street, city, state and ZIP code)</b>

## APPENDIX C QUESTIONNAIRE

### Indiana Public Retirement System

#### Immediate Life Annuity

#### I. BACKGROUND & GENERAL INFORMATION

##### A. Contact information:

Firm Name:	
Address:	
Telephone Number:	
Fax Number:	
Website:	
<b>Primary Contact</b>	
Name:	
Title:	
Telephone Number:	
Email:	

- B. Provide a brief overview of the firm, its history and main lines of business. Specify any lines of business and provide the approximate percentage of firm revenues that each comprises. Please also provide an overview of the proposed annuity product.
- C. Attach an organizational chart depicting the firm's distinct business units as **Appendix A – Firm Organizational Chart** and provide the total number of employees within each business unit.
- D. List the firm's office locations and the main functional responsibilities of each. In addition, indicate the location(s) of the investment team responsible managing the proposed annuity product.
- E. List any subsidiaries, affiliates or joint ventures and briefly describe each relationship.
- F. Provide a breakdown of ownership of your firm, including minority ownership.
- G. Provide a timeline of any past changes to the firm's legal, organizational or ownership structure, or if possible, those presently contemplated.
- H. Outline your firm's strategic focus and growth targets over the next three years, including new strategies or products currently under consideration.
- I. Describe your succession and continuity plans for management of the firm.
- J. Please list turnover among senior staff (Officers, Managing Directors, etc.) over the past three years.

- K. Provide a breakdown of total firm assets. Please include an explanation of any major changes in total firm assets in a given year.
- L. Please provide the credit rating of the firm.
- M. Please provide a description of the financial condition of the firm, including capitalization and status of insurance.

## II. CASE STUDY

Please provide monthly annuity payment for each of the proposed annuity product for the following:

Account	Annuitant Age at Purchase	Gender	Spouse/Survivor Age at Purchase	Gender	Principal	Monthly Annuity Payment	Assumption #1	Assumption #2	Assumption #3
Single	65	M			90,000				
Joint w/ Spouse	65	M	62	F	90,000				
Single	65	F			90,000				
Joint w/ Survivor	65	M	32	F	90,000				

Please clearly state each assumption utilized for monthly annuity payment calculation.

## III. PROPOSED ANNUITY PRODUCT

- A. Please describe in detail the features of each proposed annuity product.
- B. Regarding the annuity interest rate:
  - 1) Please describe in detail how the rate is determined. If it is benchmarked to a market index, please state the index.
  - 2) How frequently is the rate determined? How would change in the rate be communicated?
- C. Please describe in detail the requirements for INPRS members to be qualified for the proposed annuity product. (e.g. minimum principal balance, retirement age, health condition)
- D. Please provide sample informational materials available for prospective annuitants.
- E. Please provide sample account report available for distribution to annuitants. Please attach a sample report as **Appendix B – Sample Client Report**.
- F. Please describe a typical process used to integrate the proposed annuity product into the client's retirement procedure.

## IV. INVESTMENT TEAM

- A. Attach an organizational chart encompassing the group(s) responsible for managing the proposed annuity product as **Appendix C – Investment Team Organizational Chart**.
- B. Provide a list of key individual(s) who are responsible for managing the proposed annuity product as **Appendix D – Key Investment Professionals**, and note the amount of time they dedicate to this product, number of years they have worked on this product with your firm and number of years they have worked on this product in the industry.
- C. Attach biographies for each of the individuals named above as **Appendix E – Biographies of Key Investment Professionals**.
- D. For those personnel listed in the questions above, please describe their compensation arrangements and incentives. How are employees evaluated and rewarded?
- E. Are any of the investment activities or administrative services associated with the proposed annuity product fully or partially outsourced to third-party service providers? If so, please list each firm and describe their respective roles. Are any of these firms considered affiliates of your firm?

## V. INVESTMENT STRATEGY & PROCESS

- A. Describe your overall investment philosophy and approach as it relates to the proposed annuity product. Describe the investment process, including the committees, groups or individuals ultimately responsible for trading decisions.
- B. Provide a brief overview of your portfolio construction process, including a discussion of how position size is determined and managed.
- C. Discuss unique methods of gathering or analyzing information – what is your firm’s competitive advantage over other providers in your universe?
- D. Describe the investment universe for the proposed annuity product, including the types of securities utilized. Within this universe, are there any subsets that could be characterized as the primary focus or would be excluded from investment?
- E. If the proposed annuity product is a variable rate annuity, please provide an estimate of the approximate long-term breakdown of excess return into the following main components, and describe in detail how each component is implemented.
  - 1) Duration management
  - 2) Yield curve positioning
  - 3) Sector rotation
  - 4) Security selection
  - 5) Currency exposures
  - 6) Other (please specify)
- F. Provide an overview of how the research efforts are organized, including identification of the groups or individuals that are responsible for specific areas/functions.
- G. Regarding distressed and defaulted securities:
  - 1) In the event of default, is your firm actively involved in the workout process? Describe your typical approach to these types of situations.
- H. Does the applicable portfolio for the proposed annuity product employ leverage? If so, discuss how leverage is used, typical amounts, limits, etc., and provide justification for its use. In addition, describe the leverage facility including providers, structure, terms, cost, etc.
- I. Explain how the firm manages liquidity risk in this product. How does the firm ensure that it has the liquidity to meet scheduled benefit payments?
- J. Describe any hedging activities pursued in the applicable portfolio for the proposed annuity product, including what risks/exposures are typically hedged, instruments used and how your hedging activities add value.
- K. Regarding risk management:
  - 1) List the main risks associated with the applicable portfolio for the proposed annuity product and describe how each is explicitly measured and managed at both the individual security and aggregate portfolio level.
  - 2) Identify the person(s) or group primarily responsible for the risk management function.
  - 3) Discuss how risk management both interacts with and maintains independence from the other aspects of the investment process.
- L. Discuss any material changes that have been made to the investment process or risk management techniques. Were these changes considered normal enhancements, or were they made in response to the macroeconomic environment and/or specific market events?

## **VI. PERFORMANCE & PORTFOLIO COMPOSITION**

- A. If the proposed annuity product is a variable rate annuity,
  - 1) Please identify the most appropriate benchmark and provide a brief rationale.
  - 2) Please indicate performance targets or expectations (e.g. relative return, volatility, tracking error).

- 3) Please describe any structural elements or biases (e.g., high quality focus, avoidance of a sector or industry) that might cause the portfolio to over/underperform in certain market environments.
  - 4) Please discuss any periods during which the portfolio experienced exceptionally good/bad performance or high/low volatility – in essence provide context and explanation for any periods that would be considered abnormal.
- B. Provide metrics associated with the following areas:
- 1) Number of securities held
    - Current
    - Historical range
  - 2) Position size
    - Current average
    - Current largest
    - Maximum allowable (specify if measured at cost or market)
    - Percent in top ten holdings
  - 3) Cash & equivalents allocation
    - Current
    - Historical range
    - Maximum allowable
  - 4) Current and historical portfolio duration.
  - 5) Current and historical asset allocation weightings.

## **VII. INVESTMENT VEHICLES, FEES & TERMS**

- A. Please state all fees that will be charged either to INPRS or to individual participants for the services outlined in this proposal.
- B. Unless covered above, does your firm currently offer an alternative fee arrangement? If so, describe the structure.
- C. Are fees and/or terms negotiable for the proposed annuity product? If so, please describe the appropriate qualifiers.

## **VIII. OPERATIONS, TRADING & CONTROLS**

- A. Briefly describe your administrative/back office operations and organizational structure.
- B. If applicable, discuss fund administration and custody, indicating any relevant outside service providers.
- C. Briefly describe the key systems and tools used for account management, analysis and accounting. Indicate if these systems are third party or internally developed.
- D. Please provide an overview of the account valuation practices.
- E. Provide an overview of your operational risk monitoring and management practices. If available, provide your auditor's opinion on whether controls are adequate to achieve specified objectives and whether controls were operating effectively at the time of audit.
- F. Provide an overview of your business continuity and disaster recovery systems and plans.
- G. Does your firm maintain a written ethics or standards of conduct policy? What steps are taken to ensure that employees comply with this policy?
- H. Regarding counterparties:
  - 1) List all counterparties you have engaged to execute trades/establish positions related to the management of the proposed annuity product over the year ending 12/31/12. Please also include the size of these relationships.

- 2) How are your trading counterparties selected, monitored and evaluated?

#### **IX. LEGAL & REGULATORY ISSUES**

- A. Please provide a list of states that your firm is appropriately registered and insured to provide the proposed annuity product.
- B. Please summarize the insurance coverage related to the proposed annuity product.
- C. Has your firm or any officer, director, partner, principal or employee ever been involved in any past or pending civil or criminal litigation or legal proceeding? If so, describe each instance.
- D. Has your firm or any officer, director, partner, principal or employee ever been the subject of any past or pending non-routine investigation or inquiry by a federal or state agency or self-regulatory body? If so, describe each instance and indicate if any directives, letters or opinions were issued concerning said inquiry.
- E. Has any officer, director, partner, principal or employee of your firm ever been convicted of, pled guilty to, or pled *nolo contendere* to a felony? If so, describe each instance.
- F. Summarize the coverage for errors and omissions, professional liability, fiduciary insurance or fidelity bonds held by your firm (i.e., amounts and respective carriers).
- G. Has your firm ever submitted a claim to your errors and omissions, liability, fiduciary or fidelity bond carrier(s)? If so, describe each instance.
- H. Has your firm ever filed, voluntarily or involuntarily, for bankruptcy protection or otherwise been subject to the appointment of a receiver, trustee, or assignee for the benefit of creditors? If so, describe each instance.

#### **X. MISCELLANEOUS**

- A. Attach a list of institutional clients contracted for the proposed annuity product or similar product as **Appendix F – Representative Institutional Clients**.
- B. Provide references for five current institutional **clients contracted in the proposed annuity product**.
- C. Provide references for three prior institutional clients that have terminated their contracts with your firm during the past two years.